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days. United Auto Workers Local 218's president said he understood financ-ing was the major problem but that he was not informed of the decision to begin layoffs.

'Evidently, the (federal) funding is very interim so they're going to have to decide on somebody to foot the bill," J.J. Birchard, the local's president, said.

Late Monday, Bell officials posted letters at company facilities in Fort Worth, warning of the possible lay-offs. The letters were similar to those mailed last week to Bell workers in anticipation of Defense Secretary Dick Cheney's decision to cancel the \$40 billion Navy tilt-rotor pro-

gram. The secretary announced April 25 in Washington that all funds for the Osprey project would be cut from the federal defense budget in the 1990 fiscal year, which begins Oct. 1.

Congressional supporters vowed to restore funding for the program. Navy officials apparently decided to let the project continue with money from the 1989 fiscal-year budget until it becomes clearer whether it survives in Congress

Currently, Bell and Boeing Helicopter Co. are developing the V-22 under a \$1.8 billion Navy contract.

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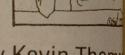
Waldo

Wednesday, May 3, 1989



# by Scott McCull THIS PLAN WAS DREAMED UP OF COUS BY THE FOLKS WHO G US THE CURRENT OF





### by Kevin Thoma



#### by Don Atkinson.



## Union, American reach new contract agreement

DALLAS (AP) - American Airlines and the Transport Workers Union reached agreement in principle Tuesday on a contract for the company's 23,000 ground service workers after  $2\frac{1}{2}$ weeks of mediation.

Details of the contract were not released pen-ding agreement on final language and a vote by the membership.

A company news release said the agreement was reached after 27 hours of continuous bargaining. The release said American Vice Presi-dent Charles Pasciuto and TWU international vice president John Kerrigan "said the agreement benefits both the company and the union and will enable American to continue the growth plan that has made the airline an industry

The mediation was requested after union members turned down American's \$610 million offer 12, 143-to-5, 140.

The offer included raises of as much as 99 percent for some workers, but union leaders had objected to a two-tier wage scale under which it takes new hires as long as 12 years to reach top about five years. The union also objected to provisions which would have employees contribute to the company health plan for the first time.

THE STORE

Airline officials complained that the contract was a victim of union politics because several locals were in the midst of election campaigns and candidates used the contract as an issue.

Ed Koziatek, the union's international vice president for American, just last week had ex-pressed doubts that the mediation would lead to a contract.

The four-year pact became amendable on March 1. Under federal law, airline contracts do not expire. If the two sides cannot reach agreement, a mediator is called in to spark negotiations; if the mediator declares an impasse in the talks, there is then a 30-day cooling off period.

A strike can be called only after that period expires

The TWU represents about 23,000 of American's 67,000 employees. Its members include the airline's mechanics, bag handlers, ground crews, stock clerks, guards, meteorologists and aircraft

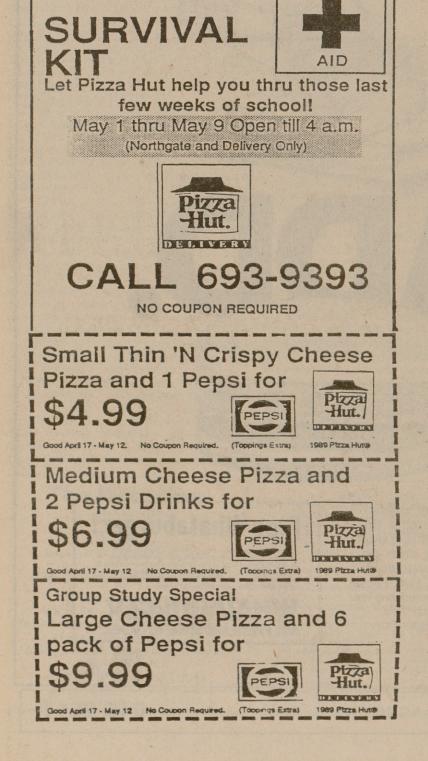
Also Tuesday, American's parent comp AMR Corp., confirmed it is on the verge of dering about 100 new commuter aircraft in "several hundred million dollar" deal.

The aircraft, seating between 30 and 40 ps ple, will be used for the company's AMR Ex Inc. subsidiary that feeds some of its major hubs Published reports have said the company

leaning toward Swedish manufacture Saab though others mentioned as possible supplication of the second se based near Toronto, and ATR, a joint Fren Italian company.

Fort Worth-based American is coming off most profitable year ever, during which it the nation's largest carrier. AMR pos came 1988 net income of \$476.8 million, a 140.3 p cent increase from 1987 and 37.9 percent her than the previous record of \$345.8 million 1985.

The company also reported first quarter prists of \$101 million, a 47.7 percent jump im



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